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FISCAL IMPACT STATEMENT

LS 7658

BILL NUMBER: HB 1410

NOTE PREPARED: Feb 13, 2007

BILL AMENDED: Feb 12, 2007

SUBJECT: Criminal History Checks.

FIRST AUTHOR: Rep. Hoy

FIRST SPONSOR: Sen. Steele

BILL STATUS: As Passed House

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill exempts a post-secondary school of education from paying a fee for a limited criminal history record for a student before the student begins the student's field or classroom experience. The bill requires a criminal history background check, including a national background check, for an applicant for employment with a school corporation who begins employment after June 30, 2007. The bill also requires the in-state background check to be completed at least one day before the individual begins employment, and the national background check to be completed not more than 30 days after the individual begins employment. It specifies the results of the criminal history background check may include only: (1) criminal history data with disposition information; and (2) information with respect to any arrest or criminal charge that occurred less than one year before the date the background check was initiated even if a disposition concerning the arrest or criminal charge has not been entered. It also allows a school corporation to enter into an agreement with a private entity to perform criminal background checks.

Effective Date: July 1, 2007.

Explanation of State Expenditures: (Revised) *Summary:* This bill requires school corporations to modify their criminal history policies to include a requirement mandating all individuals hired after June 30, 2007, to complete a national criminal history background check and a sex offender registry check in all 50 states. This provision would increase revenue deposited into the General Fund from criminal history background check fees by an indeterminable amount.

The bill requires school corporations to pay for all costs associated with obtaining the aforementioned checks. Increases in expenditures for school corporations would range between \$0 and \$483,600 (12,400 x \$39).

The bill exempts a post-secondary school of education from having to pay a fee for a limited criminal history check for certain students. The provision could potentially decrease expenditures for post-secondary schools of education; however, it would also decrease revenue to the state General Fund. Actual decreases are unknown.

Indiana State Police: As proposed, the Indiana State Police (ISP) would experience an increase in workload.

Background Information:

A Limited Criminal History Background Check means information with respect to any arrest or criminal charge, which must include: (1) a disposition; and (2) a photograph of the person who is the subject of the limited criminal history, if a photograph is available. The term includes information about any arrest or criminal charge that occurred less than one year before the date of a request even if no disposition has been entered. A limited criminal history background check is obtained through the ISP.

A National Criminal History Background Check means the criminal history record system maintained by the Federal Bureau of Investigation based on fingerprint identification or any other method of positive identification. A national criminal history background check is also obtained through the ISP.

(Revised) *Post-Secondary Schools of Education Fee Exemption:* The bill exempts a school of education of a public or private post-secondary educational institution from paying a fee for a limited criminal history background check if the fee is made as a part of a background investigation of a student before or after the student begins the student's field or classroom experience. The number of students for which a limited criminal history background check is currently conducted is not known. To the extent that a post-secondary school of education is currently paying the fee for a student to obtain a limited criminal history background check, expenditures for the post-secondary school of education would be reduced. Fees for limited criminal history background checks are as follows: \$16 for persons who do not subscribe to AccessIndiana, \$15 for AccessIndiana subscribers, or \$7 by mail.

Explanation of State Revenues: (Revised) *Mandate that New Hires Complete a National Criminal History Background Check and Sex Offender Registry Check-* This bill requires school corporations to modify their criminal history policies to include a requirement mandating all individuals hired to complete both an in-state and out-of-state criminal records check for the previous ten years based upon the employee's prior residency, and a sex offender registry check in all 50 states. Under current law, school corporations are required to adopt a policy concerning criminal history information which pertains to individuals hired for employment.

For the purposes of the bill, it is assumed that school corporations would require all new hires to complete a national criminal history background check which would include both in-state and out-of-state criminal record information.

Fiscal Impact: Background check policies vary by school corporation; some request limited criminal history and/or national criminal history background check information, while others do not. In addition, school corporations are exempt from fees for limited criminal history checks. However, if the hire requests the check, a fee will be charged. Whether the school corporation requests the background check or the hire requests the check varies by school corporation as well. The number of new hires paying fees for background checks is unknown. Fees for limited criminal history background checks are as follows: \$16 for persons who do not subscribe to AccessIndiana, \$15 for AccessIndiana subscribers, or \$7 by mail. A portion of the fees,

\$7, is deposited into the state General Fund; the remaining \$8 or \$9.32 is deposited into the Indiana Office of Technology (IOT) Portal fund. The IOT reports that the Portal Fund is used to maintain and modify AccessIndiana webpages.

National criminal history background checks cost a total of \$39, \$24 of which is given to the federal government, and the remaining \$15 is deposited into the state General Fund.

	Current	As Proposed
Type of Check and Requirement	Depending on school corporation or charter school policy, <u>may</u> be required to submit a limited or national criminal history check for new hires.	Would be required to collect national criminal history check for all new hires.
Fee	<u>Limited</u> : \$16 for persons who do not subscribe to AccessIndiana, \$15 for AccessIndiana subscribers, and \$7 by mail; fee is waived for school corporations; or <u>National</u> : \$39; \$15 of which is deposited into the state General Fund, \$24 is forwarded to the federal government.	\$39; \$15 of which is deposited into the state General Fund, \$24 is forwarded to the federal government.
Fee Responsibility	School corporation may require the new hire to pay fees required for a national criminal history background check; new hire is required to pay fees for a limited criminal history background check.	School corporations are responsible for fees associated with obtaining a national criminal history background check.

Under this provision of the bill, revenue deposited into the General Fund from fees would likely increase. Actual increases will depend on the number of school corporations currently requiring limited criminal history checks for new hires and the fee paid for those checks (would range between \$0 for school corporations and \$16 for individuals requesting the information online without an AccessIndiana subscription), and the number of new hires to school corporations who would be required under the bill to submit a national criminal history check who are not currently doing so (\$15 of the fee would be deposited into the state General Fund). *Note*: The bill allows a school corporation to enter into an agreement with a private entity to perform a national criminal history background check. Should a school corporation enter into an agreement, revenue would not be deposited into the state General Fund for checks conducted by the private entity.

Background Information: During the 2005-2006 school year, approximately 12,400 persons were hired as new employees.

(Revised) *Post-secondary Schools of Education Fee Exemption*: To the extent that a student or a post-secondary school of education currently obtains a limited criminal history check for the purposes of the bill, the state would experience a decrease in revenue to the state General Fund and the IOT Portal Fund. Actual decreases would be dependent on the number of students obtaining a limited criminal history check, method in which the check was obtained, and the fee paid for the check.

Explanation of Local Expenditures: *Modification of Criminal History Check Policy*: School corporations

would be required to modify their current policy pertaining to criminal history checks for new hires. School corporations should be able to accomplish this within their current workload.

National Criminal History Background Check Fees: The bill requires a school corporation to pay for all costs associated with obtaining a national criminal history background check, which is required under the bill. Increases in expenditures for school corporations would range between \$0 and \$483,600 (12,400 x \$39). Actual increases will depend on the difference between the number of school corporations currently requiring new hires to obtain a national criminal history background check and paying the fee for the check, and the number required to be conducted under the bill.

Explanation of Local Revenues: *Fingerprint Card Fees:* Under the bill, new hires would need to submit a fingerprint card to complete a national criminal history background check. If the card is obtained through an ISP post, of which there are 18 statewide, it is free. If it is obtained from a local law enforcement agency, fees vary. Fees collected from fingerprint cards are used by the local police department which collects the fee. Actual use of the fees vary by department.

State Agencies Affected: Indiana State Police; Department of Education; Indiana Office of Technology; Post-secondary schools of education.

Local Agencies Affected: Local school corporations and townships; charter schools; local law enforcement agencies.

Information Sources: Chris Sheets, Indiana State Police; Chris Cotterill, Indiana office of Technology; Sherry Beck, Indiana State Police; Fred Sargeson, AccessIndiana; Professional Standards Board, Department of Education; Doug Shelton, Indiana State Police.

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